

**AGENDA**



**Recommendation for Council Action (CMD)**

Austin City Council

Item ID:

19063

Agenda Number

13.

Meeting Date:

October 18, 2012

Department:

Contract Management

**Subject**

Authorize negotiation and execution of a Design-Build Agreement with Hensel Phelps Construction Company for the Austin-Bergstrom International Airport (ABIA) Terminal East Infill Project with funding for preliminary design phase services in an amount not to exceed \$6,000,000, plus a \$300,000 contingency for a total contract amount not to exceed \$6,300,000.

**Amount and Source of Funding**

Funding is available in the 2012-2013 Capital Budget of the Aviation Department.

**Fiscal Note**

A fiscal note is attached.

**Purchasing Language:**

Best Value to the City of Austin of eight Statements of Qualifications received.

**Prior Council Action:**

December 15, 2011 – Council authorized use of the Design-Build delivery method in accordance with Texas Government Code Section 2267, Subchapter G.

**For More Information:**

Burton Jones 974-7278; Marisol Claudio-Ehalt 974-7026; April Shaw 974-7141.

**Boards and Commission Action:**

Recommended by the Austin Airport Advisory Commission.

**MBE / WBE:**

This contract will be awarded in compliance with the requirements of 49 CFR Part 26 (Disadvantaged Business Enterprise Program) and Chapter 2-9B of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goal with 15.25% DBE subcontractor participation.

**Related Items:**

**Additional Backup Information**

After experiencing a decline in the number of flying passengers in Calendar Year 2009, Austin-Bergstrom International Airport (ABIA) experienced strong enplanement growth of 6% for both 2010 and 2011. The ABIA terminal is nearing capacity, particularly at the security checkpoint processing capacity. To meet this challenge, the Aviation Department is developing a Terminal East Infill Project, which will increase the capacity of the Passenger Terminal, particularly the security checkpoint processing capacity. The ABIA Terminal East Infill Project adds a new security checkpoint and other airport operational space by filling-in a triangular shaped gap in the floor plan of the existing building.

On December 15, 2011, Council authorized the use of a Design-Build project delivery method in accordance with Texas Government Code Section 2267, Subchapter G; by which a governmental entity contracts with a single entity to provide both design and construction services for the construction, rehabilitation, alteration or repair of a facility.

City staff is requesting Council authorization for preliminary phase services for this project, which include schematic design, modeling, design development, construction documents, constructability reviews, value engineering, cost estimating, scheduling, development of a safety program, quality assurance, site security and environmental protection plans, permitting, Disadvantaged Business Enterprise (DBE) subcontractor outreach and all other services associated with the development of work packages for construction.

Council's authorization of this request allows for negotiation and execution of a design build contract with the staff's recommendation of the highest ranked firm that offers the best value to the City on the basis of published selection criteria. Should the City be unsuccessful in negotiating a satisfactory agreement for preliminary phase services with the selected firm, said firm will be notified in writing that negotiations will cease. Pursuant to statute, staff will then proceed to negotiate with the next firm in the order of selection ranking, returning to Council prior to contract execution.

Staff will come back to Council with recommended contract amendment(s) for construction phase services when design is sufficiently complete. The estimated total project budget is approximately \$45,000,000.

With regards to federal funding, the Aviation Department expects intense competition for federal Airport Improvement Program (AIP) funds, which will likely result in fewer funds from the program in the coming fiscal year. The federal grant system for construction assistance funding appears less reliable than in previous years which may delay implementation of our Federal Aviation Administration (FAA) grant-eligible projects. However, once the East Infill Project receives a guaranteed maximum price proposal from the design-builder, the Aviation Department will submit an application to participate in the FAA's Military Airport Program to obtain a multi-year FAA grant to help fund the Terminal Infill Project, and a response from the FAA on the application would be anticipated in the summer of 2013. Additionally, the Aviation Department will be seeking federal funding support from the Transportation Security Administration for any improvements within their operations area.

Notification of issuance of a Request for Qualifications (RFQ) for the design-build services was sent to 1,073 firms on April 30, 2012. The RFQ was obtained by 193 firms, and 8 firms submitted statements of qualifications. None of the firms were certified DBE firms. Of the firms evaluated, four firms were short-listed and interviewed. Interviewing of the short-listed firms resulted in the following ranking:

TOP RANKED FIRM: Hensel Phelps Construction Company  
SECOND RANKED FIRM: Beck Corgan

Participation goals stated in the solicitation for design services were 7.27% DBE. The top ranked and second ranked firms provided DBE Compliance Plans that met the goals of the solicitation and were approved by the Small and Minority Business Resources Department.

Additional subcontracting opportunities will also arise during the construction phase of this project; however the specific

scopes and magnitude of the construction work cannot be determined until design has been sufficiently completed. Prior to entering into the construction phase, the City will establish separate MBE/WBE or DBE goals for construction and the Design-Builder shall submit a Compliance Plan meeting the construction goals or documentation detailing their Good Faith Efforts to meet the established goals.

Hensel Phelps Construction Company is located in Austin, TX.